

Regular Session, 2010

SENATE BILL NO. 414

BY SENATOR JACKSON

FISCAL CONTROLS. Requires certain comparative statements in the executive budget.
(7/1/10)

AN ACT

To amend and reenact R.S. 39:2(36) through (48), and to enact R.S. 39:2(49) and 36(A)(6), relative to the contents and format of the executive budget; to provide for certain comparative statements; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:2(36) through (48) are hereby amended and reenacted and R.S. 39:2(49) and 36(A)(6) are hereby enacted to read as follows:

§2. Definitions

As used in this Chapter, except where the context clearly requires otherwise, the words and expressions defined in this Section shall be held to have the meanings here given to them.

* * *

(36) "Performance-based budget" means a budget which relates funding to expected results.

(37) "Performance indicator" means a statement identifying an activity, input, output, outcome, achievement, ratio, efficiency, or quality to be measured

relative to a particular goal or objective in order to assess an agency's performance. Performance indicator shall also mean measurement of any other aspect of performance as determined by rule issued by the commissioner of administration under the provisions of the Administrative Procedure Act.

(38) "Performance standard" means the expected level of performance associated with a particular performance indicator for a particular period.

(39) "Policy changes" means a narrative explanation of changes that result in increases or decreases in the level of funding, the level of services, or the scope of services expressed in policy terms as follows: legislative policy changes that result from changes in state or federal laws and related rules or regulations; judicial policy changes that result from court rulings and decrees; and administrative policy changes resulting from executive orders or prioritization of funding to meet specific goals and objectives of the executive branch. The narrative shall also include a citation of the relevant provision of law, judicial decision or order, or executive order or administrative action associated with each change in funding level.

~~(37)~~ **(40)** "Program" means a grouping of activities directed toward the accomplishment of a clearly defined objective or set of objectives.

~~(38) "Performance-based budget" means a budget which relates funding to expected results.~~

~~(39) "Performance standard" means the expected level of performance associated with a particular performance indicator for a particular period.~~

~~(40)~~ **(41)** "Quality" means degree or grade of excellence.

~~(41)~~ **(42)** "State planning and budgeting system" refers to the processes and functions prescribed in Subtitle I of this Title.

~~(42)~~ **(43)** "Strategic plan" is the plan developed in the process of strategic planning.

~~(43)~~ **(44)** "Strategic planning" is a process of agency self-assessment and objective setting which considers an organization's purpose, capacities and

environment, and results in a strategic plan which determines a path for development of the organization's resources in order to achieve meaningful results.

~~(44)~~ **(45)** "Strategy" means the method used to accomplish the objectives of an agency.

~~(45)~~ **(46)** "Supporting document" means the document prepared by the budget office and composed of supporting information, data, and documentation used to develop the executive budget. The data elements comprising the supporting document shall be as provided by law.

~~(46)~~ **(47)** "Supporting objective" means an objective which is included in the executive budget supporting document, and not included in the General Appropriation Act or Ancillary Appropriation Act.

~~(47)~~ **(48)** "Supporting performance indicator" means a performance indicator which is included in the executive budget supporting document and not included in the General Appropriation Act or Ancillary Appropriation Act.

~~(48)~~ **(49)** "Surplus" means the excess for any fiscal year of the actual monies received and any monies or balances carried forward over the actual expenditures paid by warrant or transfer for any fund at the close of the fiscal year as such are reported by the office of statewide reporting within the division of administration.

* * *

§36. Contents and format of executive budget; supporting document

A. The executive budget shall present a complete financial and programmatic plan for the ensuing year, and it shall be configured in a format so as to clearly present and highlight the functions and operations of state government and the financial requirements associated with those functions and operations. The executive budget shall be a performance-based budget. It shall include at a minimum the following:

* * *

(6) Comparative statements for each department, budget unit, and program of all policy changes as defined in R.S. 39:2(39), relative to increases

1 **or decreases in the level of funding, the level of service, or the scope of services.**

2 **The statements shall also show the funding, workload, or performance changes**

3 **from the existing operating budget for the current fiscal year to the**

4 **recommended budget for the ensuing fiscal year.**

5 * * *

6 Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor
7 and subsequently approved by the legislature, this Act shall become effective on July 1,
8 2010, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Proposed law requires comparative statements for each department, budget unit, and program of all policy changes. Defines "policy changes" to mean a narrative explanation of increases or decreases in the level of funding, level of services, or the scope of services resulting from legislative, judicial, or executive policy actions. Such statements shall show funding, workload, and performance changes from the current year's existing operating budget to the recommended budget for the ensuing year.

Effective July 1, 2010.

(Amends R.S. 39:2(36)-(48); adds R.S. 39:2(49) and 36(A)(6))